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November 12, 2004

Mary L. Cottrell, Secretary
Department of Telecommunications and Energy
One South Station
Boston, MA 02110

Re: Cambridge Electric Light Company/Commonwealth Electric Company,
D.T.E. 03-118

Dear Secretary Cottrell:

The Attorney General and Cambridge Electric Light Company/Commonwealth Electric Company d/b/a NSTAR Electric (the "Parties") are engaged in settlement negotiations in the above-referenced, pending reconciliation case. Under the procedural schedule established by the Department of Telecommunications and Energy (the "Department"), evidentiary hearings are to begin on November 16, 2004, unless a settlement agreement is filed by today. In order to permit sufficient time for the Parties to complete their settlement negotiations, they jointly request that the hearing be deferred.

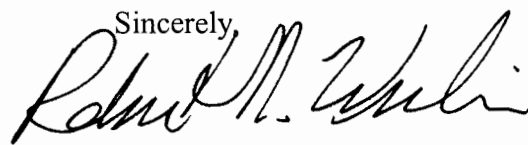
The Parties have engaged in settlement negotiations and NSTAR Electric has provided voluminous documentation to the Attorney General. In addition, the Parties (including the same staff and some attorneys) are engaged in an extremely time-sensitive cases relating to the divestiture of NSTAR Electric's purchase power agreements. These pending cases (D.T.E. 04-61, D.T.E. 04-68, D.T.E. 04-70, D.T.E. 04-78 and D.T.E. 04-85) represent over \$300 million in potential customer savings. Moreover, recent personnel changes in the Office of the Attorney General have further strained resources.

The Parties realize that these settlement negotiations have continued longer than either they or the Department had desired. But they note that the subject costs are reconciling in nature and that customers will be made whole when issues are resolved. For the past several years, the Parties have successfully negotiated settlements regarding the reconciliation of costs and revenues for Boston Edison Company, Cambridge Electric Light Company and Commonwealth Electric Company, thereby resolving issues without resort to expensive, contested hearings. This process has benefited customers, the Parties and the Department.

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Because the tight schedules in the above-referenced pending cases and the need to prepare and file new rates for January 1, 2005, for Department review and approval, it is not reasonable or possible to conclude a settlement before the end of the calendar year. Accordingly, to provide sufficient time to complete settlement negotiations, the Parties request that the Department defer the commencement of hearings until January 19, 2005. If the Parties have not filed a settlement agreement by January 14, 2005, they will provide a status report on that date.

Thank you for your attention to this matter.

Sincerely,


Robert N. Werlin

cc: Caroline Bulger, Hearing Officer
Service List